

XCEL ENERGY INC
Form 11-K
June 28, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the year ended Dec. 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 1-3034

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Nuclear Management Company, LLC
NMC Savings and Retirement Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

XCEL ENERGY INC.
414 NICOLLET MALL
MINNEAPOLIS, MINNESOTA 55401
(612) 330-5500

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of
Nuclear Management Company, LLC
NMC Savings and Retirement Plan
Minneapolis, Minnesota

We have audited the accompanying statements of net assets available for benefits of the Nuclear Management Company, LLC NMC Savings and Retirement Plan (the "Plan") as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedule of assets (held at end of year) as of December 31, 2016, has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ DELOITTE & TOUCHE LLP

Minneapolis Minnesota
June 28, 2017

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NUCLEAR MANAGEMENT COMPANY, LLC
 NMC SAVINGS AND RETIREMENT PLAN
 Statement of Net Assets Available for Benefits

	Dec. 31, 2016	Dec. 31, 2015
Assets:		
Investments at fair value:		
General investments (Note 5)	\$ 139,657,972	\$ 131,612,263
Value of interest in Master Trust (Note 3 and 5)	3,017,332	1,173,220
Total value of investments	142,675,304	132,785,483
Receivables:		
Xcel Energy contributions (Note 1)	1,227,786	1,263,319
Notes receivable from participants (Note 2)	776,237	763,284
Total receivables	2,004,023	2,026,603
Total assets	144,679,327	134,812,086
Net assets available for benefits	\$ 144,679,327	\$ 134,812,086

The accompanying notes are an integral part of the financial statements.

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NUCLEAR MANAGEMENT COMPANY, LLC
 NMC SAVINGS AND RETIREMENT PLAN
 Statements of Changes in Net Assets Available for Benefits

	Year Ended Dec. 31	
	2016	2015
Contributions:		
Xcel Energy	\$2,229,210	\$2,342,402
Participant	2,891,453	3,004,553
Rollover	80,873	81,017
Total contributions	5,201,536	5,427,972
Transfer of Plan Assets	63,791	—
Investment income:		
Plan interest in income from Master Trust (Note 3)	210,864	42,242
Interest and dividend income	2,625,545	2,907,437
Net appreciation (depreciation) in fair value of interest in registered investment companies, collective trusts, and self-directed brokerage accounts	9,247,932	(3,096,119)
Total investment income and contributions	17,349,668	5,281,532
Interest on notes receivable from participants	32,984	33,064
Benefits paid to participants	(7,461,896)	(13,339,549)
Administrative expenses (Note 1)	(53,515)	(52,669)
Net increase (decrease) in net assets available for benefits	9,867,241	(8,077,622)
Net assets available for benefits at beginning of year	134,812,086	142,889,708
Net assets available for benefits at end of year	\$144,679,327	\$134,812,086

The accompanying notes are an integral part of the financial statements.

NMC Retirement Contribution portion of the Plan. Former asset owners are those parties in interest, detailed above.

Effective Jan. 1, 2008, the Plan was amended to no longer permit non-bargaining nuclear operations employees to contribute to the Plan. Effective Aug. 1, 2009, certain collective bargaining agreements excluded their respective bargaining nuclear operations employees from participation in the Plan.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties — The Plan provides for investment in a variety of investment funds. Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

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Recently Issued Accounting Pronouncements

Classification and Measurement of Financial Instruments - In January 2016, the Financial Accounting Standards Board (FASB) issued Recognition and Measurement of Financial Assets and Financial Liabilities, Subtopic 825-10 (Accounting Standards Update (ASU) 2016-01), which among other changes in accounting and disclosure requirements, replaces the cost method of accounting for non-marketable equity securities with a model for recognizing impairments and observable price changes, and also eliminates the available-for-sale classification for marketable equity securities. Under the new guidance, other than when the consolidation or equity method of accounting is utilized, changes in the fair value of equity securities are to be recognized in earnings. This guidance will be effective for fiscal years beginning after Dec. 15, 2018. The Plan is currently evaluating the impact of adopting ASU 2016-01 on the Plan's financial statements.

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The Plan's interest in income from the Master Trust of \$210,864 includes interest and dividend income of \$79,909 and appreciation of \$130,955 for the year ended Dec. 31, 2016. For the year ended Dec. 31, 2015, the Plan's interest in income from the Master Trust of \$42,242 includes interest and dividend income of \$34,351 and appreciation of \$7,891.

4. FEDERAL INCOME TAX STATUS

The IRS has determined that the Plan was designed in accordance with applicable IRC requirements by a letter dated May 24, 2017. The Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and the Plan continues to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan's management evaluates tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, including the assertion that the Plan is exempt from income tax, and has not identified any uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements as of Dec. 31, 2016 or 2015. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The statute of limitations applicable to the Plan's 2013 federal tax return expires in October 2017.

5. FAIR VALUE MEASUREMENTS

The accounting guidance for fair value measurements and disclosures provides a single definition of fair value and requires certain disclosures about assets and liabilities measured at fair value. A hierarchal framework for disclosing the observability of the inputs utilized in measuring assets and liabilities at fair value is established by this guidance. The three levels in the hierarchy are as follows:

Level 1 — Quoted prices are available in active markets for identical assets as of the reported date. The types of assets included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as listed mutual funds and money market funds.

Level 2 — Pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable as of the reported date. The types of assets included in Level 2 are typically either comparable to actively traded securities or contracts, or priced with models using highly observable inputs. The collective trusts are not actively traded on an exchange.

Level 3 — Significant inputs to pricing have little or no observability as of the reporting date. The types of assets included in Level 3 are those with inputs requiring significant management judgment or estimation.

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7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the net assets per the Form 5500 as of Dec. 31, 2016 and 2015, and a reconciliation of the increase in net assets available for benefits per the financial statements to net income per the Form 5500 for the years ended Dec. 31, 2016 and 2015:

	Dec. 31, 2016	Dec. 31, 2015	
Net assets available for benefits per the financial statements	\$ 144,679,327	\$ 134,812,086	
Deemed distributions of participant loans	(62,175)	(62,175)	
Net assets per the Form 5500	\$ 144,617,152	\$ 134,749,911	
		Dec. 31,	Dec. 31,
		2016	2015
Increase (decrease) in net assets available for benefits per the financial statements		\$ 9,867,241	\$ (8,077,622)
Transfer of plan assets		(63,791)	—
Net income (loss) per the Form 5500		\$ 9,803,450	\$ (8,077,622)

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* Vanguard Target Retirement 2040 Trust I	Common/Collective Trust	** 1,469,076
* Vanguard Emerging Markets Stock Index Fund: Institutional Shares	Registered Investment Company	** 1,277,614
* Vanguard Inflation-Protected Securities Fund: Institutional Shares	Registered Investment Company	** 758,262
* Vanguard Target Retirement Income Trust I	Common/Collective Trust	** 750,826
* Vanguard Target Retirement 2010 Trust I	Common/Collective Trust	** 725,813
* Vanguard Target Retirement 2050 Trust I	Common/Collective Trust	** 630,223
* Vanguard Target Retirement 2055 Trust I	Common/Collective Trust	** 311,352
* Vanguard Target Retirement 2060 Trust I	Common/Collective Trust	** 63,939
TOTAL INVESTMENTS		\$142,675,304
* Notes receivable from participants, less deemed distributions — Interest rates from 4.25% - 4.50% _q ,* maturing 2017-2026		\$714,062
* Denotes party-in-interest.		
** Historical cost is not required for participant-directed funds.		

See accompanying Report of Independent Registered Public Accounting Firm

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XCEL ENERGY INC.
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Xcel Energy Inc. has duly caused this annual report on Form 11-K to be signed on its behalf by the undersigned, thereunto duly authorized on June 28, 2017.

NUCLEAR MANAGEMENT COMPANY, LLC
NMC SAVINGS AND RETIREMENT PLAN

By/s/ Jeffrey S. Savage
Senior Vice President, Controller
Member, Pension Trust Administration Committee